

## Message Text

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ORIGIN OES-06

INFO OCT-01 EUR-12 ISO-00 ERDA-05 INR-07 NRC-05 PM-04 L-03

FEA-01 ACDA-07 CIAE-00 IO-13 NSAE-00 NSC-05 EB-07

DODE-00 COME-00 TRSE-00 /076 R

DRAFTED BY DBHOYLE:OES/NET/IM:SMJ

APPROVED BY DBHOYLE:OES/NET/IM

EUR/CAN - C. CLEMENT

ERDA/ISA - I. WILLIAMS (SUBS)

-----130151Z 023373 /72-61

R 122139Z JAN 77

FM SECSTATE WASHDC

TO AMEMBASSY OTTAWA

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PLEASE PASS SCICOUN VANDERWEYDEN

E.O. 11652:N/A

TAGS: TECH, CA

SUBJECT: DISCUSSIONS WITH AECL

1. CONFIRMING TELECON OF JANUARY 11 WITH HOYLE, OES, YOU ARE REQUESTED TO REPRESENT DEPARTMENT AND SERVE AS HEAD OF U.S. TEAM SCHEDULED TO HOLD DISCUSSIONS WITH AECL (MONTREAL) ON JANUARY 17, 18 AND, IF NECESSARY, 19. OTHER U.S. MEMBERS WILL BE IRVIN WILLIAMS, ERDA/ISA AND KENNETH TRICKETT, ERDA/NRA. AECL MONTREAL CONTACT IS ROBERT RENSHAW (514) 282-9680. INITIAL DISCUSSIONS ARE SCHEDULED TO BEGIN AT 0930 JANUARY 17 AT THE AECL OFFICES, NINTH FLOOR, 2001 UNIVERSITY AVENUE, MONTREAL.

2. AS INDICATED IN TELECON, PURPOSE OF DISCUSSIONS IS FOR LIMITED OFFICIAL USE

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U.S. TEAM TO REVIEW IN DEPTH SIGNIFICANT ITEMS OF EQUIPMENT FOR CANDU REACTORS, INCLUDING THEIR MANUFACTURING TECHNOLOGY, WHICH EXPECTED TO BE MANUFACTURED BY U.S. VENDORS SUBJECT TO 10 CFR 810 FOR EXPORT TO ROMANIA SHOULD GOC AND GOR CONCLUDE ARRANGEMENTS CURRENTLY UNDER NEGOTIATION. REVIEW WOULD PARTICULARLY CONCENTRATE ON THOSE ITEMS FOR WHICH THERE IS NO ALTERNATIVE SUPPLIER NOT REPEAT NOT SUB-

JECT TO 10 CFR 810. AS YOU ARE AWARE FROM ATTENDANCE AT DECEMBER 6 MEETING, PURPOSE OF REVIEW IS TO ATTEMPT TO IDENTIFY ANY POSSIBLE SITUATIONS IN WHICH ERDA ADMINISTRATOR

MIGHT HAVE DIFFICULTY IN AUTHORIZING EXPORT OF EQUIPMENT OR TECHNOLOGY TO ROMANIA. HOWEVER, AS WE BELIEVE CANADIANS FULLY UNDERSTAND, IT IS NOT REPEAT NOT INTENDED AS SUBSTITUTE FOR U.S. SUPPLIER SUBSEQUENTLY MEETING PART 810 REQUIREMENTS OR AS AN UNEQUIVOCAL ADVANCE U.S. APPROVAL.

3. PRIMARY FUNCTION OF DEPARTMENT REPRESENTATIVE IS TO ASSURE THAT OBJECTIVES OF DISCUSSIONS ARE FULLY UNDERSTOOD AND MET. IN PARTICULAR, EVERY EFFORT SHOULD BE MADE TO DETERMINE WHETHER OR NOT MANUFACTURING TECHNOLOGY WHICH MIGHT BECOME SUBJECT OF FUTURE LICENSING ARRANGEMENTS BETWEEN U.S. VENDORS AND GOR INVOLVE ANY SENSITIVE U.S. DEFENSE INFORMATION, PARTICULARLY AS RELATED TO NAVAL REACTORS. SINCE THIS MATTER HAS BEEN SUBJECT OF USG-GOC DISCUSSIONS FOR WELL OVER A YEAR WITH LITTLE APPARENT PROGRESS, EVERY EFFORT SHOULD BE MADE TO ASSURE THAT U.S. TECHNICAL REPS RAISE EVERY ISSUE WHICH THEY BELIEVE IS RELEVANT TO COMPLETING U.S. EVALUATION AND THAT THEY ARE FULLY SATISFIED WITH ANSWERS GIVEN BY AECL. IF NECESSARY, CONTACTS WITH PROSPECTIVE U.S. SUPPLIERS AND/OR THEIR CANADIAN SUBSIDIARIES SHOULD BE MADE, INCLUDING VISITS TO MANUFACTURING FACILITIES IF NECESSARY TO ANSWER KEY QUESTIONS. (RENSHAW HAS INDICATED THAT HE UNDERSTANDS THIS AND IS PREPARED TO MAKE NECESSARY ARRANGEMENTS AS NEED MAY BECOME APPARENT DURING DISCUSSIONS.) ANOTHER LIMITED OFFICIAL USE

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AREA WHICH SHOULD BE CONSIDERED IN REVIEW IS CORPORATE RELATIONSHIP BETWEEN PARENT U.S. COMPANIES AND CANADIAN SUBSIDIARIES INVOLVED SINCE CERTAIN TYPES OF RELATIONSHIPS MAY NOT REPEAT NOT REQUIRE THAT U.S. COMPANY OBTAIN PART 810 AUTHORIZATION FOR PARTICIPATION OF ITS CANADIAN SUBSIDIARY.

4. GIVEN IMPORTANCE WHICH GOC HAS ATTACHED TO SATISFACTORY RESOLUTION OF THIS ISSUE AND LIMITED TIME APPARENTLY REMAINING, EVERY POSSIBLE EFFORT SHOULD BE MADE TO OBTAIN ALL INFORMATION WHICH MAY BE NEEDED BY USG IN ORDER TO PROMPTLY ADVISE THE GOC OF ANY OF THE AREAS REVIEWED FOR WHICH IT FORESEES PROBLEMS IN OBTAINING ERDA AUTHORIZATION REQUIRED UNDER 10 CFR 810. IN EVENT ANY ISSUES ARISE IN WHICH DEPARTMENT, ERDA OR OTHER USG AGENCIES GUIDANCE IS NEEDED, THESE SHOULD BE RAISED AS SOON AS IDENTIFIED THROUGH HOYLE, OES, (202) 632-4101. KISSINGER

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## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
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**Review Markings:**  
Margaret P. Grafeld  
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22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009